

REMARKS

Preliminary matters

The drawings originally filed in this case were handwritten. Formal drawings were submitted July 17, 2006. However, the formal drawings have not been reviewed by a draftsperson and they have not been acknowledged as formal. Applicants respectfully request acknowledgement that the drawings filed on July 17, 2006 are formal.

From the IDS submitted on October 4, 2007, the examiner has not initialed reference 136 listed on page 9 of that IDS. In a telephonic conversation, Ms. Laura Workman contacted Examiner Raman to clarify which non-patent reference was designated by reference 136. However, the examiner has not yet initialed reference 136. Applicants respectfully request that the examiner consider and initial the reference.

Office action summary

Claims 41, 42, 44, 46-52, 57-68, 70-78, and 100-106 are pending in the present application. Claim 41 is presently amended. No claims are presently added or canceled. The following rejections were made in the office action of April 2, 2009 (“Office Action”):

- Claims 41-42, 44, 46-49, 51-52, 60-68, 70-76, and 100-106 were rejected under 35 USC § 103(a) as being unpatentable over Ginter et al, US Patent Publication 2004/0054630 (“Ginter”), in view of Braitberg et al, US Patent 7,191,153 (“Braitberg”), and further in view of Downing, US Patent 6,842,522 (“Downing”).
- Claim 50 was rejected under 35 USC § 103(a) as being unpatentable over Ginter in view of Braitberg and Downing, and further in view of Knight, US Patent 6,243,350 (“Knight”).
- Claims 57-58 and 77-78 were rejected under 35 USC § 103(a) as being unpatentable over Ginter in view of Braitberg and Downing, and further in view of Yuen et al, US Patent 6,147,715 (“Yuen”).
- Claim 59 was rejected under 35 USC § 103(a) as being unpatentable over Ginter in view of Braitberg, Downing and Yuen, and further in view of Ward et al, US Patent Publication 2005/0010949 (“Ward”).

The rejections are discussed below. The examiner is respectfully urged to reconsider the application and withdraw the rejections. Should the examiner have any questions or concerns that might be efficiently resolved by way of a telephonic interview, the examiner is invited to call applicants' undersigned attorney, Jon M. Isaacson, at 206-332-1102.

Telephonic interview

On June 10, 2009, applicants' undersigned attorney and Examiner Raman conducted a telephonic interview. Applicants' undersigned attorney would like to thank the examiner for granting the interview. During the interview, applicants' arguments were discussed without reaching any agreement. Any further substance of the interview is incorporated into the remarks below.

Amendment to claim 41

The present amendment to claim 41 merely adds a semicolon to correct a typographical error in the claim as previously presented. Such an amendment adds no new matter and has no substantive effect on the claim.

Rejections under 35 USC § 103(a)

Claim 41

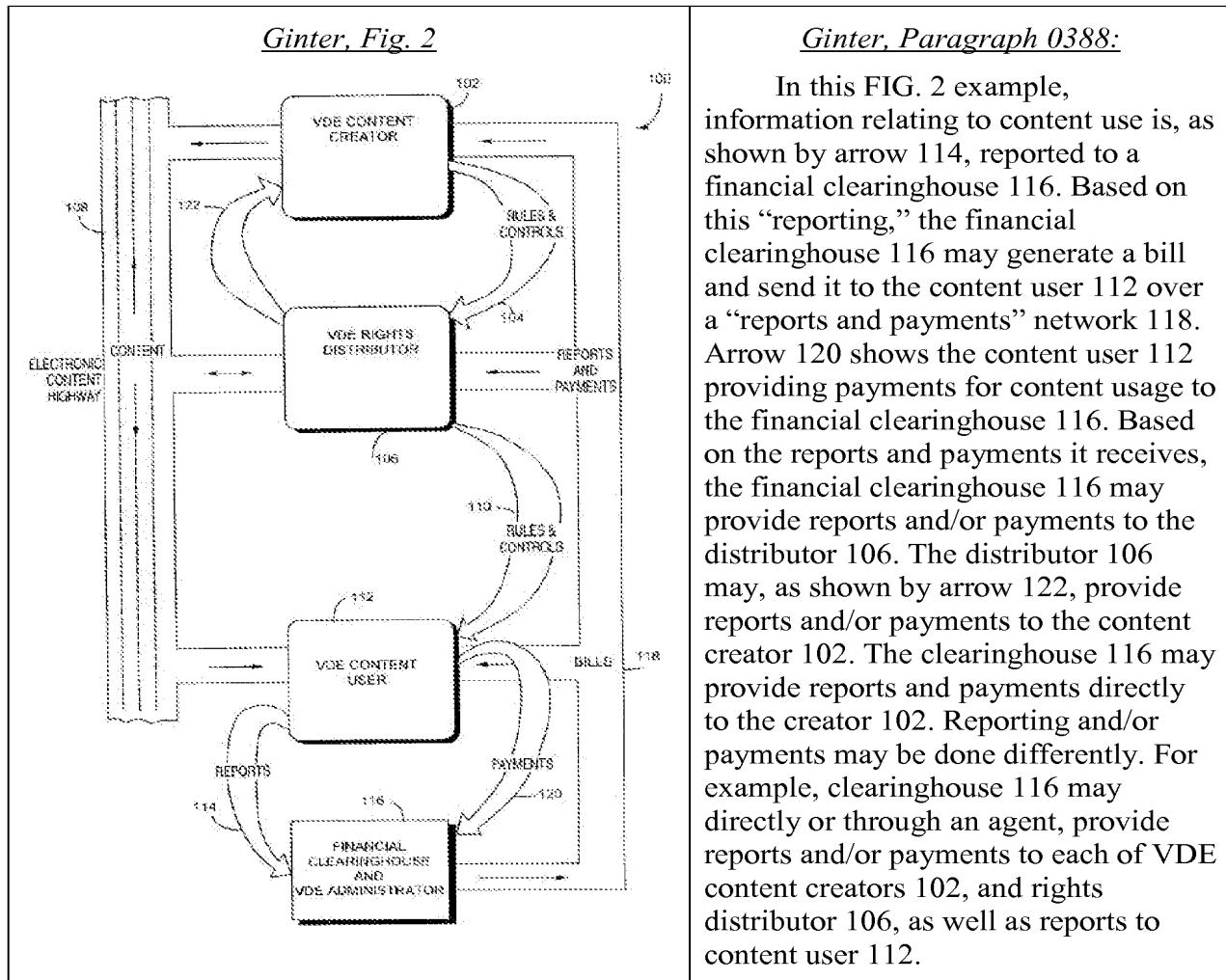
Claim 41 stands rejected under 35 USC § 103(a) as being unpatentable over Ginter in view of Braitberg, and further in view of Downing. Claim 41 recites, in part: "allowing a first customer to make a copy of one of said video disks and give said copied video disk to a second customer" and "compensating the first customer when the copied video disk is viewed by the second customer." Applicants submit that claim 41 is patentably defined over the cited art for at least the reasons that (1) the cited portions of the cited art fail to teach or suggest "compensating the first customer when the copied video disk is viewed by the second customer," and (2) the cited portions of the cited art teach away from "compensating the first customer when the copied video disk is viewed by the second customer."

First, the cited portions of the cited art fail to teach or suggest "compensating the first customer when the copied video disk is viewed by the second customer." In the Office

Action, the examiner argues that Ginter “discloses compensating a distribution agent each time the video distributed by the distribution is played (see Ginter: [0370], [0388], and [1022].)” (Office Action, page 7.) From this, the examiner concludes that “the first user [of claim 41] is the distribution agent wherein the first user is compensated when the copied video disk is viewed by the second customer.” (*Id.*)

Applicants respectfully disagree that Ginter teaches or suggest in any way that a customer would be compensated for making a copy of a video disk. In paragraph 0370, Ginter teaches that transactions involve customers paying sellers: “[i]n the past...consumers received goods and services only after they handed cash over to a seller.” In paragraph 1022, Ginter teaches that administrative records may be passed “by a distributor, client administrator, or, perhaps, a clearinghouse or other financial service provider, to an end user, or, alternatively, for example, by an object creator to a distributor or service clearinghouse.” However, nothing in paragraphs 0370 or 1022 teaches or suggests payments made to customers.

In paragraph 0388, Ginter explains the depiction in Figure 2. For convenience, applicants reproduce Ginter’s Figure 2 below, together with the text of Ginter’s paragraph 0388. As discussed in paragraph 0338, Ginter teaches that a bill can be sent to the content user, that the content user can make payment, and that reports and/or payments can be provided to the financial clearing house, the VDE rights distributor, and/or the VDE content creator. However, paragraph 0388 contains no teaching or suggestion that a consumer is compensated with payments or in any other way. This understanding of paragraph 0388 is further confirmed by looking at Ginter’s Figure 2. In Figure 2, Ginter shows arrow 120 indicating that payments are made from the content user to the financial clearinghouse. Also, the “reports and payments” network 118 shows that bills are sent to the content user and that reports and/or payments are sent to the VDE rights distributor and to the VDE content creator. However, Figure 2 provides no indication that the content user is provided with payments or any other type of compensation.



For the above reasons, applicants submit that the cited portions of Ginter fail to teach “compensating the first customer when the copied video disk is viewed by the second customer,” as recited by claim 41. Further, applicants can discern none of the cited portions of Braitberg and Downing which overcome this deficiency in Ginter, and the examiner has not cited to Braitberg or Downing for that proposition. Accordingly, applicants submit that the cited portions of the cited art fail to teach or suggest “compensating the first customer when the copied video disk is viewed by the second customer,” as recited by claim 41.

Second, the cited portions of the cited art teach away from “compensating the first customer when the copied video disk is viewed by the second customer” where “the first customer [made the copy of the video disk and gave] said copied video disk to a second customer.” A finding of obviousness can be rebutted by showing that references teach away

from their combination: "[i]t is improper to combine references where the references teach away from their combination." (MPEP § 2145(X)(D)(2) (citing *In re Grasselli*, 218 U.S.P.Q. 769, 779 (Fed. Cir. 1983))). In *KSR*, the Supreme Court explained that, when the prior art teaches away from a combination, that combination is more likely to be nonobvious. (*KSR International Co. v. Teleflex Inc.*, 82 U.S.P.Q.2d 1385, 1396 (2007); *see also* MPEP § 2143(A), "Example 1"). The Federal Circuit subsequently clarified that "[a] reference may be said to teach away when a person of ordinary skill, when reading the reference, would be discouraged from following the path set out in the reference, or would be led in a direction divergent from the path taken by the applicant." *In re ICON Health and Fitness, Inc.*, 83 U.S.P.Q.2d 1746, 1751 (Fed. Cir. 2007).

In the Office Action, the examiner cited to Braitberg, col. 2, lines 36-40, as "encourag[ing] users to make and distribute copies to other users while ensuring that content owners and appropriate entities are compensated." (Office Action, pages 5-6.) That portion of Braitberg reads "it would be useful to provide a system in which **users** are permitted or encouraged to make copies, and thus **bear the cost of copying**, while providing for appropriate payments to content owners and other appropriate entities." (Braitberg, col. 2, lines 36-40; emphasis added.) Finally, the examiner reasons that it would be obvious to combine Ginter's supposed teaching of compensating a first customer with Braitberg's teaching of encouraging users to make copies of media in order to "shift[] the burden of manufacturing cost to the customer" as taught by Braitberg. (Office Action, page 6; citing Braitberg, col. 2, lines 41-44.)

Applicants respectfully submit that Braitberg teaches away from combining its teachings with Ginter's teachings. Braitberg specifically teaches that users should be encouraged to make copies of movies so that users bear the cost of copying the movies. In contrast to Braitberg's encouragement to shift manufacturing costs of disk copies to users, claim 41 recites **compensating** a first customer when a second customer views a video disk copied by the first user. If a user is compensated for making a copy, the user does not bear the cost of making the copy. Applicants submit that one of ordinary skill in the art, when reading Braitberg's teaching of shifting manufacturing costs to a user by permitting the user to make copies of content, would be discouraged from compensating the user for making the copy. In fact, Braitberg's teachings lead away from compensating a user for making a copy

because Braitberg teaches that the user should bear the cost of making copies. The examiner provides no other reasoning for combining Braitberg and Ginter. Therefore, applicants submit that Braitberg and Ginter are not properly combinable in an obviousness rejection because Braitberg teaches away from compensating a customer for making copies of video disks.

For at least the reasons stated above, applicants submit that claim 41 is patentably defined over the cited art. Accordingly, applicants respectfully request withdrawal of the rejection of claim 41 under 35 USC § 103(a).

Claims 60, 70, and 100

Independent claims 60, 70, and 100 contain recitations similar to those recitations of claim 41 discussed above. For at least the reasons discussed above regarding the patentability of claim 41, applicants submit that claims 60, 70, and 100 are patentably defined over the cited art. Accordingly, applicants respectfully request withdrawal of the rejection of claims 60, 70, and 100 under 35 USC § 103(a).

Claims 42, 44, 46-52, 57-59, 61-68, 71-78, and 101-106

Claims 42, 44, 46-52, 57-59, 61-68, 71-78, and 101-106 depend, directly or indirectly, from claims 41, 60, 70, and 100. Inasmuch as claims 42, 44, 46-52, 57-59, 61-68, 71-78, and 101-106 depend from independent claims which are patentably defined over the cited art, applicants submit that claims 42, 44, 46-52, 57-59, 61-68, 71-78, and 101-106 are patentably defined over the cited art. Accordingly, applicants respectfully request withdrawal of the rejection of claims 42, 44, 46-52, 57-59, 61-68, 71-78, and 101-106 under 35 USC § 103(a).

Conclusion

Applicants believe that the present remarks are responsive to each of the points raised by the examiner in the Office Action, and submit that claims 41, 42, 44, 46-52, 57-68, 70-78, and 100-106 of the application are in condition for allowance. Favorable consideration and passage to issue of the application at the examiner's earliest convenience is earnestly solicited.

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